



2021 STATE OF GROWTH MARKETING

ORGANIZATIONS RELYING ON DATA, CX TO
RECONFIGURE PRICING, IDENTIFY STRONGEST
LEAD GEN CHANNELS & REDUCE CHURN

A man in a dark suit and white shirt is walking in a city street, talking on a mobile phone. He is carrying a brown bag and has a bicycle parked next to him. The background shows city buildings and parked cars, all with a blue tint.

Introduction

To find marketing success in today's digital-first world, organizations must focus on analyzing available data and deploying omnichannel strategies to unify the brand and ensure growth, specifically in content creation, sales metrics and the overall customer experience.

Growth marketing — also referred to by the less appealing term “growth hacking” — enhances the dynamics of demand generation by using data-driven insights to build upon and strengthen existing marketing campaigns. The goal is to refresh content to attract new customers while still appealing to existing clients.

“It's more about data than the tools,” explained Dan Cote, CMO of **Influitive**. “Marketers typically already have a large tech stack, so what they really need is someone to fully leverage the insights those technologies generate. That's the focus of growth marketing: How can you extract data and intelligence to form insights from those tools that are already in place?”

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This strategy is causing the “set-it-and-forget” mentality to fall to the wayside as B2B marketers take an experimental focus on re-energizing their playbooks instead of rewriting them. **According to Gartner research**, the four key areas to re-evaluate include go-to-market strategy, sales force deployment, sales execution and analytics.

However, growth marketing can’t live up to its full potential if internal teams remain in their siloes. A common goal must be identified for all teams to work toward, and there should be near constant communication to ensure experimental strategies remain on track and beneficial to the company. It’s a lot to take in, so throughout this report, we’ll cover:

- The major role data plays throughout the experimentation process;
- How to reconfigure revenue operations to experiment with pricing models and strategies;
- The role customer marketing plays in growth marketing;
- Methods of identifying churn rates;
- How to evaluate current marketing initiatives to identify the most successful lead generation channels;
- The importance of delivering an exceptional customer experience (CX).

A man and a woman in business attire are shown in a professional setting. The man, wearing a suit and glasses, is holding a tablet and looking at the woman. The woman, also in a suit and glasses, is gesturing with her hand while speaking. The background is a blurred office environment.

Reconfiguring Pricing Models To Increase Profits

Pricing is key to, well, everything in business, whether it's budget creation or setting limits on incentives for purchase. However, **85% of B2B companies** feel there is room for improvement in their pricing strategies. The process isn't easy, though, as experimentation with pricing is higher risk than other areas of testing, such as revamping content.

However, the reward outweighs the risk: Just a **1% price optimization** improvement can yield an 11% profit increase. Though the potential for success is high, it's daunting to alter given the inherent importance and multifactorial nature.

"There are so many different things that go into the backend of pricing," explained Aaron Dunn, SVP of Marketing at **CareAcademy.com**. "You can put a new price on the website, but you actually have to action that price all the way through your sales organizations. Oftentimes, we'll say, 'Oh, we should do some testing with our pricing page and see how that changes behavior,' but if you're not thinking that in a complete and connected system, you'll end up with a group of people making front-end changes but not thinking about how those changes flow through the system."

To ensure all departments remain on the same page, Dunn stressed the importance of internal collaboration and alignment. All individuals working on the pricing project must come together to identify the end goal, remain on the same page and hold each other accountable through the process to ensure no one loses sight of the finish line.

As pricing experimentation will vary based on individual company's size, revenue and goals, it's difficult to offer concrete advice. However, Auseh Britt, VP of Growth Marketing for **Terminus**, spoke about the importance of experimenting in the field of incentives and promotions.

"High-velocity sales models, such as those with free trials or online purchasing, can benefit greatly from A/B testing, pricing models and strategies," said Britt. "So, if you have a longer sales cycle, you can rely on promotions for cross-selling into the customer base or creating new bundles, such as experimenting with different packages and plans."

Why Growth Marketing Without Customer Marketing Is A Bad Decision

By Dan Cote, Influitive



Growth hacking, aka growth marketing, was coined in 2010 by Sean Ellis and further popularized in Andrew Chen's 2013 blog post, **"Growth Hacker is the New VP Marketing."** Any marketing executive who's not thinking about growth should start looking for a new job. The global pandemic forever changed the business world and the buyer-seller relationship — there's no turning back, and traditional marketing is no way forward.

Growth marketing stretches the responsibility of marketing across the entire customer lifecycle and journey. It breaks down department walls and bureaucratic silos to form cross-functional teams whose mission is to grow the bottom line by improving every part of the product and customer experience.

Growth marketing is good for marketing and business, so long as you don't expect to hack your way to fast growth without structured and continuous customer engagement and relationship building. That's why customer marketing, the focus of post-sale activities to drive retention and growth with existing customers, is a highly critical and complementary role to growth marketing.

To better understand why and how customer marketing is so important to growth, let's consider their role in each stage of the customer funnel.

AWARENESS

Customers who are happy with a product become loyal brand advocates; they are the megaphones that drive awareness without the advertising cost. Whether an organization's product is great or terrible, customer reviews happen organically. It's up to customer marketers to engage with customers through online communities, gather insights and develop relationships. They have the ear and know the voice of customers and, as such, are invaluable partners of growth marketers.



ACQUISITION

Acquiring new customers is easier with the help of existing customers. Their first-hand product knowledge and brand experiences are what prospects crave, value and trust the most. Customer marketers play a critical role in developing customer stories, case studies and testimonials at scale that can accelerate sales opportunities. And, to win more deals faster, references are key.

Reference management is a core responsibility of customer marketing and essential for sales team success. Knowing which customers are willing to be a reference, how often they are willing to speak with prospects and on what topics is a delicate matching game. Referenceable customers and customer-generated content is the rocket fuel for growth marketers.

ACTIVATION

The days where marketing only focuses on advertising, PR and other demand generation activities to acquire new customers should be in the rearview mirror. The digital journey from buyer to customer is a continuum, and the post-sale journey is longer and more critical than ever in today's subscription economy. Developing happy customers starts with a great onboarding experience and is sustained through continual engagement and education to ensure customers are getting maximum product value.

Customer marketers work with cross-functional teams to increase product adoption and decrease UX friction. Their firsthand knowledge and insights about what customers like and dislike are perfect starting points for growth marketing experiments.

RETENTION

Customer churn is the leaky bucket that growth marketers shouldn't fill until the holes are plugged. According to Tomasz Tunguz, Managing Director at **Redpoint Ventures**, if a typical SaaS business loses about 2% to 3% of its customers each month to churn, the business must grow by at least 27% to 43% annually to maintain the same revenue. Customer success (CS) teams are essential for keeping customers satisfied and minimizing churn. Customer marketers have the broader remit of guiding and keeping customers on a path to loyalty and advocacy. That requires constant customer engagement and close collaboration and information sharing with CS, product and engineering teams, which is precisely what growth marketers need to do.



REFERRAL


The highest quality leads come from customer referrals. Prospective buyers referred from people they trust can eliminate competitive bake-offs, shorten sales cycles and boost win rates. Referral marketing programs are another core responsibility of customer marketers, and they aren't as simple as you might think. Asking a customer for a referral is a big request that shouldn't be taken lightly. And only select customers — your 9s and 10s on the NPS scale — should be referral candidates. By engaging with customers throughout their post-sale journey, customer marketers know who to tap for referrals and how and when to best approach them. That data and intelligence is gold for growth marketers.

REVENUE

Retaining and expanding customer relationships fuels growth — in fact, according to a **“2019 Forrester Business Technographics Marketing Survey,”** 77% of B2B revenue is generated by existing customers. Through customer advocacy, digital communities and omnichannel engagement programs, customer marketers can identify cross-sell and upsell opportunities in accounts that are realizing value and generating ROI from their solution. Growth marketers can learn from them what product features and use cases trigger the most value and excitement in customers — and compel them to buy more.

GROWTH MARKETING & CUSTOMER MARKETING GO HAND-IN-HAND

Every marketer — regardless of job title — should have a growth mindset. Better yet, every employee in your organization should have a growth mindset, especially if customer obsession is a core mission and business value. Ultimately, growth marketing without customer marketing is a bad decision because the two roles truly go hand in hand. Invest in both, and your overall marketing efforts and business growth will skyrocket.



Harnessing Data's Role In Content Creation & Lead Tracking

Spray-and-pray initiatives are having a Jan Brady-esque moment (data, data, data!) as teams shift away from throwing a net over many accounts and narrow their focus to a select few.

“It’s not about volume anymore,” explained Britt. “You want to make sure you’re attracting the right audience and quality accounts. For example, we look at who’s visiting our website to see if we’re already targeting them through our ABM initiatives. There might be some highly engaged accounts whose activity is spiking that we should start targeting, and that’s all determined from data collection.”

The ultimate goal of growth marketing is to grab prospects’ attention at the top of the funnel and drag them down deeper with engaging, personalized content. Given the experimental role of growth marketing and the seemingly unlimited digital forms advertising takes, teams need the ability to identify the channels where leads came from.

Britt recommended embedding urchin tracking module (UTM) links that bring prospects to a dedicated landing page or specific registration form and register the source of the lead. From there, the information should be compiled into the company’s CRM to continue tracking the leads and identify the channels bringing in the most traffic for marketers. Once the highest performing channels are identified, marketing teams can then shift their focus to refining the content that lives within the channels.

“Growth marketers should look at the entire thread of a lead and how it matures through the sales success to ultimately become a deal,” said Cote. “They can examine all the factors that impacted its speed or velocity through that funnel. When those insights are brought back to the lead gen team, it helps them adjust the advertising or campaign knobs a bit on the content you’re creating for your demand program.”



As organizations reconfigure their content to meet prospects where they need it most, Britt recommends:

- Looking at the buyer persona to determine who is best to target;
- Using data to identify the target's current interest(s); and then
- Pinpointing where they are in the buyer's journey.

Once that information is collected, Britt explained, "it's important to present the product's benefits and how it addresses specific pain points for the buyer," such as how it relates to their business and provides value.

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Leveraging Customer Experiences To Generate Interest & Identify Churn

Marketing-generated content might not be the strongest course of action in this new era of personalization. All the experts agreed that while content targeting still has its place, growth marketers should focus on delivering all-around, five-star customer experiences that prompt current users to share their experience and encourage prospects.

“Customer stories are very impactful, especially when displayed in short-form video content or interactive landing pages,” said Britt. “Buyers like to be in control, and interactive content allows them to navigate the product at their own time and drill into specific areas of interest.”

However, some marketers are underutilizing customer experience and only viewing it through a positive lens of advocacy. In fact, examining previous client experiences helps marketing teams identify the inevitable, undesired aspect of marketing: Churn.

“There are two kinds of churn: Avoidable churn (‘Hey, we didn’t like your product’) and unavoidable churn (‘Hey, we went out of business’),” explained Dunn. “Understanding the dynamics of those two segments is really important because you can easily read the wrong signal if you’re not looking at data the right way.”

He added that when a client shows up to cancel, it’s usually too late to make a case that will change their mind. Given the need to be ahead of churn rates — organizations need to identify the signals two to six months in advance, Dunn noted, it’s often helpful for companies to work backward and examine accounts that churned within the past year.

“Once organizations can identify the common signals, whether it was infrequent log-ins, not adding caregivers or falling behind on training, they can rely on their automation and artificial intelligence tools to identify those signals, set up alerts that danger is up ahead and give marketing teams enough time and information to successfully intervene,” explained Dunn.



Conclusion

There's no real playbook for growth marketing — there are loose guidelines to follow, sure, but ultimately it comes down to a company's confidence in its products and team. Throughout the experimental process, teams must remain in tight alignment and constantly communicate to ensure the series of trial and errors see more success than failure.

Instead of viewing growth marketing as an independent position, all marketers should view the strategies through the growth lens to identify areas of improvement, or even different steps they can take to benefit their colleagues. Whether teams are experimenting with pricing models to increase revenue, generating customer-centric content or following first-hand accounts to refine their actions, growth marketing will always be a team sport, Dunn said.

“The product, marketing and customer success teams can partner up into a growth team, whether it's informal or formal, and connect the data dots more effectively,” he continued. “When you break each internal team out of its silo, you can create some pretty impressive and rapid changes in how you market your product/solution and how it's experienced.”



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